

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	:	<b>CRIMINAL NO. <u>14-</u></b>
<b>v.</b>	:	<b>DATE FILED: <u>December 4, 2014</u></b>
		<b>VIOLATIONS:</b>
<b>CHAIM GALI,</b>	:	<b>18 U.S.C. § 371 (conspiracy to commit</b>
<b>a/k/a “Mike Gali,”</b>	:	<b>odometer tampering, false odometer</b>
<b>a/k/a “John Triculy,”</b>	:	<b>statements, and securities fraud - 1 count)</b>
<b>and</b>	:	<b>18 U.S.C. § 513(a) (securities fraud - 7</b>
<b>SHMUEL GALI,</b>	:	<b>counts)</b>
<b>a/k/a “Sam Gali”</b>	:	<b>49 U.S.C. §§ 32705(a), 32709(b) (false</b>
	:	<b>odometer statements – 7 counts)</b>
	:	<b>18 U.S.C. § 2 (aiding and abetting)</b>
	:	

**INDICTMENT**

**COUNT ONE**

**THE GRAND JURY CHARGES THAT:**

At times relevant and material to this Indictment:

**The Defendants’ Businesses**

1. Defendant CHAIM GALI, a/k/a “Mike Gali,” a/k/a “John Triculy” (hereinafter CHAIM GALI), was engaged in the buying and selling of used motor vehicles.
2. Defendant SHMUEL GALI, a/k/a “Sam Gali” (hereinafter SHMUEL GALI), was engaged in the buying and selling of used motor vehicles.
3. Chase Auto Center Inc. (“Chase Auto”) was a licensed Pennsylvania vehicle dealer with its principal place of business in Manheim, Pennsylvania, in the Eastern District of Pennsylvania. Defendants CHAIM GALI and SHMUEL GALI were authorized representatives of Chase Auto.

4. Conestoga City Autos (“Conestoga”) was a licensed Pennsylvania vehicle dealer with its principal place of business in Manheim, Pennsylvania, in the Eastern District of Pennsylvania. Defendant CHAIM GALI owned and operated Conestoga.

5. Defendants CHAIM GALI and SHMUEL GALI used and caused to be used box number 126 at a commercial mail receiving agency in Brooklyn, New York (“Box 126”) to receive mail in their real names, in the names of Chase Auto and Conestoga, and in other names.

6. Defendants CHAIM GALI and SHMUEL GALI were authorized users of bank accounts ending in 4630 and 5753, held in the name of Chase Auto (“Chase Auto Bank Accounts”). Defendant CHAIM GALI controlled a bank account ending in 7416 (“Chaim Bank Account”).

7. Mazel Auto Center, Inc. (“Mazel Auto”) was a fictitious, unlicensed vehicle dealer purporting to operate in New York. Mazel Auto used Box 126 as its mailing address when conducting business. Defendant SHMUEL GALI controlled a bank account ending in 1028 in the name of Mazel Auto (“Mazel Auto Bank Account”), and defendant CHAIM GALI was an authorized user on this account.

#### **The Fictitious Dealers**

8. Dependable Auto Sales was a fictitious, unlicensed vehicle dealer purporting to operate in Florida (“Dependable”). When conducting business through Dependable, the defendants used two telephone contact numbers registered in the name of defendant SHMUEL GALI, among others.

9. Kojar Auto Sales Inc. was a fictitious, unlicensed vehicle dealer purporting to operate in Florida (“Kojar”). When conducting business through Kojar, the defendants used a

telephone contact number registered in the name of defendant SHMUEL GALI and another telephone contact number registered in the name of SHMUEL GALI's wife, among others.

10. Speers Auto Sales Inc. was a fictitious, unlicensed vehicle dealer purporting to operate in Florida ("Speers"). When conducting business through Speers, the defendants used a telephone contact number registered in the name of CHAIM GALI, a second telephone contact number associated with CHAIM GALI, a telephone contact number registered in the name of SHMUEL GALI, and another telephone contact number registered in the name of SHMUEL GALI's wife, among others.

11. Advantage Motors Inc. was a fictitious, unlicensed vehicle dealer purporting to operate in New Jersey ("Advantage"). When conducting business through Advantage, the defendants used a telephone contact number registered in the name of CHAIM GALI and another telephone contact number associated with CHAIM GALI, among others.

12. Melvin's Fine Autos was a fictitious, unlicensed vehicle dealer purporting to operate in New York ("Melvin's"). When conducting business through Melvin's, the defendants used a telephone contact number registered in the name of CHAIM GALI and another telephone contact number associated with CHAIM GALI, among others.

### **The Vehicles**

13. As used in this Indictment, the following vehicle numbers refer to the vehicles identified below:

<b>Vehicle No.</b>	<b>Year/Make/Model</b>	<b>Vehicle Identification Number ("VIN")</b>
1	2004 GMC Savana 2500	1GTGG25V041122416
2	2007 Chevrolet Colorado	1GCCS13E478150029
3	2007 Chevrolet Colorado	1GCCS13E378144321
4	2005 Ford F150	1FTRW12W95FB49766
5	2007 Toyota Camry	4T1BK46K17U017570
6	2005 Chevrolet Express	1GCFG15X051206096
7	2004 E350 Econoline	1FTSE34L34HA14403
8	2006 GMC Sierra	1GTHK232X6F118407
9	2007 Chevrolet Express	1GCGG25V371192884
10	2008 Chrysler Town & Country	2A8HR44H28R696970
11	2007 Ford F150	1FTRX12W57FA77786
12	2009 Honda Pilot	5FNYP48469B011311
13	2006 Ford Escape	1FMYU92Z86KA86156
14	2006 Ford E250 Econoline	1FTNE24W76HA90887
15	2007 GMC Yukon	1GKFK63887J332575

### **THE CONSPIRACY**

14. Beginning at least as early as October 2006, and continuing through at least June 2011, in the Eastern District of Pennsylvania, and elsewhere, the defendants,

**CHAIM GALI, a/k/a "Mike Gali," a/k/a "John Triculy," and  
SHMUEL GALI, a/k/a "Sam Gali,"**

conspired and agreed with each other, and other persons known and unknown to the grand jury, to commit offenses against the United States, that is:

(a) to knowingly and willfully reset and alter, and cause to be reset and altered, the odometers of used motor vehicles, intending to change the mileage registered by the odometers, in violation of Title 49, United States Code, Sections 32703(2) and 32709(b);

(b) to knowingly and willfully give and cause to be given, in making the written disclosures to the buyers of used motor vehicles required by Title 49, United States Code, Section 32705(a), and Title 49, Code of Federal Regulations, Part 580, false statements relating to the

actual mileage of the vehicles, in violation of Title 49, United States Code, Sections 32705(a) and 32709(b); and

(c) with intent to deceive another person, organization, and government, to knowingly make, utter, and possess counterfeit and forged securities of the Commonwealth of Pennsylvania, in violation of Title 18, United States Code, Section 513(a).

#### **PURPOSE AND SCOPE OF THE CONSPIRACY**

15. It was the purpose of the conspiracy to cause both the immediate and subsequent buyers of used motor vehicles, including ultimate consumers, to pay more for the vehicles than they would have paid if they had known the vehicles' actual mileage. Over the course of this conspiracy, defendants purchased at high mileage, and resold at false, low mileage, approximately 690 vehicles.

#### **MANNER AND MEANS**

It was a part of the conspiracy that:

##### **The Galis Purchased and Transported Used Vehicles under Fictitious Names**

16. Using fictitious dealer names Dependable, Kojar, Speers, Advantage, and Melvin's, defendants CHAIM GALI and SHMUEL GALI purchased and caused to be purchased used vehicles (mostly newer, high-mileage vehicles) from franchise offices of a national vehicle leasing company in Florida, Maryland, Missouri, and elsewhere.

17. Using fictitious dealer names Dependable, Kojar, Speers, Advantage, and Melvin's, defendants CHAIM GALI and SHMUEL GALI paid and caused to be paid the national vehicle leasing company for the high-mileage vehicles with cashier's checks. Defendants CHAIM GALI and SHMUEL GALI purchased the cashier's checks with funds drawn from

various bank accounts, including but not limited to the Chase Auto Bank Accounts and the Chaim Bank Account.

18. Defendants CHAIM GALI and SHMUEL GALI established an account in the name of Speers at an online dispatch service that facilitated the hiring of vehicle transporters. Using this account, the defendants hired vehicle transporters to transport the high-mileage vehicles purchased by Dependable, Speers, Kojar, Advantage, and Melvin's from the leasing company offices where they were purchased to the Eastern District of Pennsylvania and elsewhere.

19. Defendants CHAIM GALI and SHMUEL GALI paid for the transport of the high-mileage vehicles with cash, with checks drawn on the Chase Auto Bank Accounts, with cash deposits into a transporter's account, and through other means.

**The Galis Altered the Used Vehicles' Mileage, Obtained Fraudulent Vehicle Titles, and Reconditioned the Vehicles**

20. After purchasing the high-mileage vehicles, defendants CHAIM GALI and SHMUEL GALI caused the vehicles' odometers to be rolled back to false lower mileage figures (vehicles with such altered odometers are called "rolled-back vehicles" below).

21. Defendants CHAIM GALI and SHMUEL GALI altered and caused to be altered automobile titles to conceal the vehicles' actual high mileages.

22. Using altered vehicle titles, defendants CHAIM GALI and SHMUEL GALI obtained and caused to be obtained, in the names of Chase Auto and Conestoga, automobile titles from the Commonwealth of Pennsylvania for the rolled-back vehicles which showed false low mileages for the vehicles. The defendants obtained many of the automobile titles for the rolled-back vehicles from a Pennsylvania Department of Transportation ("PennDOT") office

located at a wholesale auto auction in Manheim, Pennsylvania, in the Eastern District of Pennsylvania.

23. Defendants CHAIM GALI and SHMUEL GALI caused repairs and detailing to be made to the vehicles in order to make the appearance and condition of the vehicles match the false low mileages. Making repairs and detailing the vehicles prior to sale is known as “cosmetic reconditioning.”

**The Galis Sold the Used Vehicles with False Low Mileages**

24. Using dealer names Chase Auto and Conestoga, defendants CHAIM GALI and SHMUEL GALI sold and caused to be sold the rolled-back vehicles at wholesale auto auctions in Manheim, Pennsylvania, in the Eastern District of Pennsylvania (“PA Auction”); Bordentown, New Jersey (“NJ Auction”); and elsewhere.

25. Defendants CHAIM GALI and SHMUEL GALI provided and caused to be provided to the buyers of the rolled-back vehicles the false low-mileage Pennsylvania titles.

26. The actions and misrepresentations of defendants CHAIM GALI and SHMUEL GALI resulted in the defendants selling the vehicles for higher prices than if the vehicles had correct mileage readings. Buyers of the vehicles, including ultimate consumers, paid more for the automobiles than they would have paid if they had known the vehicles’ true mileage.

**OVERT ACTS**

27. In furtherance of the conspiracy, defendants CHAIM GALI, SHMUEL GALI, and others known and unknown to the grand jury, committed the following overt acts, among others, in the Eastern District of Pennsylvania and elsewhere:

**Vehicle 1**

1. On or about October 12, 2006, defendants CHAIM GALI and SHMUEL GALI, through fictitious vehicle dealer Dependable, purchased and caused to be purchased Vehicle 1 from a leasing company in Georgia, knowing the vehicle had 148,402 miles.

2. On or about November 14, 2006, defendants CHAIM GALI and SHMUEL GALI caused the Georgia Department of Revenue to mail a replacement certificate of title for Vehicle 1, in the name of the vehicle leasing company, from Georgia to Box 126 in Brooklyn, New York.

3. On or about November 22, 2006, defendant CHAIM GALI used the Georgia replacement certificate of title for Vehicle 1 to obtain and cause to be obtained from PennDOT a Pennsylvania title for Vehicle 1 in the name of Chase Auto that falsely stated that Vehicle 1 had 35,140 miles.

4. On or about December 1, 2006, defendants CHAIM GALI and SHMUEL GALI caused Vehicle 1 to be sold at the PA Auction under the name of Chase Auto with a false statement that the vehicle had 35,438 miles, when in fact the vehicle had at least 148,402 miles.

**Vehicles 2, 3, and 4**

5. On or about February 10, 2009, defendants CHAIM GALI and SHMUEL GALI, through fictitious vehicle dealer Advantage, purchased and caused to be purchased from a leasing company in Maryland, Vehicle 2, with a mileage of 113,404 miles, Vehicle 3 with a mileage of 112,234 miles, and Vehicle 4 with a mileage of 126,811 miles.

6. On or about February 20, 2009, defendants CHAIM GALI and SHMUEL GALI, through fictitious vehicle dealer Advantage, hired and caused to be hired vehicle



transporter A to transport Vehicles 2, 3, and 4 from the leasing company office in Maryland to a lot at the NJ Auction.

7. On or about February 21, 2009, defendant CHAIM GALI deposited \$450 in cash into vehicle transporter A's bank account to pay for the transportation of Vehicles 2, 3, and 4.

8. On or about February 25, 2009, defendants CHAIM GALI and SHMUEL GALI caused Vehicle 2 to be sold at the NJ Auction under the name of Chase Auto with a false statement that the vehicle had 21,207 miles, when in fact the vehicle had at least 113,404 miles.

9. On or about February 25, 2009, defendants CHAIM GALI and SHMUEL GALI caused Vehicle 3 to be sold at the NJ Auction under the name of Chase Auto with a false statement that the vehicle had 22,188 miles, when in fact the vehicle had at least 112,234 miles.

10. On or about May 15, 2009, defendants CHAIM GALI and SHMUEL GALI caused Vehicle 4 to be sold at the PA Auction under the name of Chase Auto with the false statement that the vehicle had 38,311 miles, when in fact the vehicle had at least 126,811 miles.

#### **Vehicle 5**

11. On or about September 10, 2009, defendants CHAIM GALI and SHMUEL GALI, through fictitious vehicle dealer Melvin's, purchased and caused to be purchased Vehicle 5 from a leasing company in Missouri, knowing the vehicle had 79,239 miles.

12. On or about October 9, 2009, defendant CHAIM GALI obtained and caused to be obtained from the PennDOT office at the PA Auction ("PennDOT Auction Office") a Pennsylvania title for Vehicle 5 in the name of Chase Auto, which falsely stated that Vehicle 5 had 19,700 miles.

13. On or about November 11, 2009, defendants CHAIM GALI and SHMUEL GALI caused Vehicle 5 to be sold at the NJ Auction under the name of Chase Auto with the false statement that the vehicle had 20,338 miles, knowing the vehicle had at least 79,239 miles.

14. On or before January 20, 2010, defendants CHAIM GALI and SHMUEL GALI retook possession of Vehicle 5 after the auction purchaser returned the vehicle for an odometer discrepancy.

15. On or about January 20, 2010, defendants CHAIM GALI and SHMUEL GALI caused Vehicle 5 to be sold a second time at the NJ Auction under the name of Chase Auto, with the false statement that the vehicle had 20,936 miles, knowing the first sale at the NJ Auction had been cancelled because the buyer discovered a false low odometer reading.

16. On or about January 22, 2010, defendant CHAIM GALI obtained and caused to be obtained from the PennDOT Auction Office a Pennsylvania title for Vehicle 5 in the name of Conestoga that falsely stated that Vehicle 5 had 20,930 miles, when in fact the vehicle had at least 79,239 miles.

#### Vehicle 6

17. On or about December 31, 2008, defendant CHAIM GALI withdrew cash from the Chaim Bank Account to purchase cashier's check 2458804027. Defendants CHAIM GALI and SHMUEL GALI, through fictitious vehicle dealer Advantage, used and caused to be used this cashier's check to purchase Vehicle 6 for \$2,000 from a leasing company in Maryland, knowing that Vehicle 6 had 167,041 miles.

18. On or about June 7, 2011, defendant CHAIM GALI obtained and caused to be obtained from PennDOT a Pennsylvania title for Vehicle 6 in the name of Conestoga that falsely stated that Vehicle 6 had 63,468 miles.

19. On or about June 7, 2011, defendant CHAIM GALI, on behalf of Conestoga, assigned the counterfeit Pennsylvania title to a vehicle dealer, falsely stating that Vehicle 6 had 63,468 miles.

20. On or about June 15, 2011, defendants CHAIM GALI and SHMUEL GALI caused the vehicle dealer to sell Vehicle 6 at the NJ Auction with a false low mileage of 63,565.

21. On or about June 16, 2011, defendants CHAIM GALI and SHMUEL GALI deposited and caused to be deposited into the Mazel Auto Bank Account check number C3488198 in the amount of \$8,815, issued by the NJ Auction to the vehicle dealer, representing the proceeds of the sale of Vehicle 6.

#### **Vehicle 7**

22. On or about April 12, 2010, defendant CHAIM GALI withdrew cash from one of the Chase Auto Bank Accounts to purchase cashier's check 100618435. Defendants CHAIM GALI and SHMUEL GALI, through the fictitious vehicle dealer Melvin's, used and caused to be used this cashier's check to purchase Vehicle 7 for \$3,750 from a leasing company in Missouri, knowing that Vehicle 7 had 142,869 miles.

23. On or about April 27, 2010, defendants CHAIM GALI and SHMUEL GALI obtained and caused to be obtained from the PennDOT Auction Office a Pennsylvania title for Vehicle 7 in the name of Conestoga that falsely represented that Vehicle 7 had 42,900 miles.

24. On or about May 19, 2010, defendants CHAIM GALI and SHMUEL GALI caused Vehicle 7 to be sold at the NJ Auction under the name Conestoga with a false statement that the vehicle had 43,824 miles, when in fact the vehicle had at least 142,869 miles.

**Vehicle 8**

25. On or about August 26, 2009, defendant SHMUEL GALI withdrew cash from one of the Chase Auto Bank Accounts to purchase cashier's check 100281083. Defendants CHAIM GALI and SHMUEL GALI, through fictitious vehicle dealer Speers, used and caused to be used this cashier's check to purchase Vehicle 8 for \$11,900 from a leasing company in Florida, knowing the vehicle had 174,558 miles.

26. On or about August 31, 2009, defendants CHAIM GALI and SHMUEL GALI, using and causing to be used an account in the name of Speers with an online dispatch service, hired vehicle transporter B to transport Vehicle 8 from Pompano Beach, Florida, to the NJ Auction.

27. On or about September 4, 2009, defendant CHAIM GALI paid vehicle transporter B for transporting Vehicle 8 from Pompano Beach, Florida, to the NJ Auction with a \$400.00 check issued from one of the Chase Auto Bank Accounts.

28. On or about October 23, 2009, defendant CHAIM GALI obtained and caused to be obtained from the PennDOT Auction Office a Pennsylvania title for Vehicle 8 in the name of Chase Auto that falsely represented that Vehicle 8 had 69,462 miles.

29. On or about October 23, 2009, defendants CHAIM GALI and SHMUEL GALI caused Vehicle 8 to be sold at the PA Auction under the name of Chase Auto with a false statement that the vehicle had 69,462 miles, when in fact the vehicle had at least 174,558 miles.

30. On or about October 26, 2009, defendants CHAIM GALI and SHMUEL GALI deposited and caused to be deposited check number C2402389 in the amount of \$19,815, representing the proceeds of the sale of Vehicle 8, into one of the Chase Auto Bank Accounts.

**Vehicle 9**

31. On or about December 2, 2009, defendant CHAIM GALI obtained a vehicle history report for Vehicle 9 from an online commercial vehicle history database that contains information about vehicles' odometer readings, among other information.

32. On or about December 7, 2009, defendant CHAIM GALI withdrew cash from one of the Chase Auto Bank Accounts to purchase cashier's check number 100281698. Defendants CHAIM GALI and SHMUEL GALI, through the fictitious vehicle dealer Melvin's, used and caused to be used this cashier's check to purchase Vehicle 9 for \$4,300 from a leasing company in Missouri, knowing that Vehicle 9 had 162,898 miles.

33. On or about December 7, 2009, defendants CHAIM GALI and SHMUEL GALI sent and caused to be sent to the leasing company in Missouri the bill of sale for the purchase of Vehicle 9 via facsimile from the commercial mail receiving agency in Brooklyn, New York, where the defendants maintained Box 126.

34. On or about December 24, 2009, defendant CHAIM GALI obtained and caused to be obtained from the PennDOT Auction Office a Pennsylvania title for Vehicle 9 in the name of Conestoga that falsely stated that Vehicle 9 had 26,940 miles.

35. On or about January 8, 2010, defendants CHAIM GALI and SHMUEL GALI caused Vehicle 9 to be sold at the PA Auction under the name of Chase Auto with a false statement that the vehicle had 27,182 miles, when in fact the vehicle had at least 162,898 miles.

36. On or about January 11, 2010, defendants CHAIM GALI and SHMUEL GALI deposited and caused to be deposited check number C2415952 in the amount of \$10,265, representing the proceeds of the sale of Vehicle 9, into one of the Chase Auto Bank Accounts.

**Vehicle 10**

37. On or about January 25, 2010, defendant SHMUEL GALI withdrew cash from one of the Chase Auto Bank Accounts to purchase cashier's check number 100479305. Defendants CHAIM GALI and SHMUEL GALI, through the fictitious vehicle dealer Speers, used and caused to be used this cashier's check to purchase Vehicle 10 for \$7,300 from a leasing company in Florida, knowing that Vehicle 10 had 83,101 miles.

38. On or about February 19, 2010, defendants CHAIM GALI and SHMUEL GALI caused Vehicle 10 to be sold at the PA Auction under the name of Chase Auto with a false statement that the vehicle had 27,261 miles, when in fact the vehicle had at least 83,101 miles.

39. On or about February 23, 2010, defendant CHAIM GALI obtained and caused to be obtained from the PennDOT Auction Office a Pennsylvania title for Vehicle 10 in the name of Conestoga that falsely stated that Vehicle 10 had 27,259 miles.

40. On or about March 3, 2010, defendants CHAIM GALI and SHMUEL GALI deposited and caused to be deposited check number D8464964 in the amount of \$12,995, representing the proceeds of the sale of Vehicle 10 into one of the Chase Auto Bank Accounts.

**Vehicle 11**

41. On or about November 7, 2009, defendant SHMUEL GALI withdrew cash from one of the Chase Auto Bank Accounts and used the cash to purchase cashier's check 100281533. Defendants CHAIM GALI and SHMUEL GALI, through the fictitious vehicle

dealer Kojar, used and caused to be used this cashier's check to purchase Vehicle 11 for \$8,000 from a leasing company in Illinois, knowing that Vehicle 11 had 93,116 miles.

42. On or about March 16, 2010, defendants CHAIM GALI and SHMUEL GALI caused Vehicle 11 to be sold at the PA Auction under the name of Chase Auto with a false statement that the vehicle had 34,360 miles, when in fact the vehicle had at least 93,116 miles.

43. On or about March 18, 2010, defendant CHAIM GALI obtained and caused to be obtained from the PennDOT Auction Office a Pennsylvania title for Vehicle 11 in the name of Conestoga that falsely stated that Vehicle 11 had 34,355 miles.

44. On or about April 15, 2010, defendants CHAIM GALI and SHMUEL GALI deposited and caused to be deposited check number D8467325 in the amount of \$15,275, representing the proceeds of the sale of Vehicle 11, into one of the Chase Auto Bank Accounts.

#### **Vehicle 12**

45. On or about March 6, 2010, defendant SHMUEL GALI withdrew cash from one of the Chase Auto Bank Accounts to purchase cashier's check 100479553. Defendants CHAIM GALI and SHMUEL GALI, through the fictitious vehicle dealer Kojar, used and caused to be used this cashier's check to purchase Vehicle 12 for \$20,500 from a leasing company in Illinois, knowing that the vehicle had 59,085 miles.

46. On or about March 18, 2010, defendant CHAIM GALI obtained and caused to be obtained from the PennDOT Auction Office a Pennsylvania title for Vehicle 12 in the name of Conestoga that falsely stated that Vehicle 12 had 18,095 miles.

47. On or about March 19, 2010, defendants CHAIM GALI and SHMUEL GALI caused Vehicle 12 to be sold at the PA Auction under the name of Chase Auto with a false statement that the vehicle had 18,506 miles, when in fact the vehicle had at least 59,085 miles.

48. On or about April 19, 2010, defendants CHAIM GALI and SHMUEL GALI deposited and caused to be deposited check number D8468318 in the amount of \$25,835, representing the proceeds of the sale of Vehicle 12, into one of the Chase Auto Bank Accounts.

**Vehicle 13**

49. On or about December 23, 2009, defendant SHMUEL GALI obtained a vehicle history report for Vehicle 13 from an online commercial vehicle history database that contains information about vehicles' odometer readings, among other information.

50. On or about December 30, 2009, defendant SHMUEL GALI withdrew cash from one of the Chase Auto Bank Accounts to purchase cashier's check 100479154. Defendants CHAIM GALI and SHMUEL GALI, through fictitious vehicle dealer Speers, used and caused to be used this check to purchase Vehicle 13 for \$6,000 from a leasing company in Florida, knowing that the vehicle had 94,087 miles.

51. On or about March 19, 2010, defendants CHAIM GALI and SHMUEL GALI caused Vehicle 13 to be sold at the PA Auction in the name of Chase Auto with a false statement that the vehicle had 41,521 miles, when in fact the vehicle had at least 94,087 miles.

52. On or about March 23, 2010, defendant CHAIM GALI obtained and caused to be obtained from the PennDOT Auction Office a Pennsylvania title for Vehicle 13 in the name of Conestoga that falsely stated that Vehicle 13 had 41,380 miles.

53. On or about April 19, 2010, defendants CHAIM GALI and SHMUEL GALI deposited and caused to be deposited check number D8468323 in the amount of \$9,115, representing the proceeds of the sale of Vehicle 13, into one of the Chase Auto Bank Accounts.



**Vehicle 14**

54. On or about February 25, 2010, defendant CHAIM GALI withdrew cash from one of the Chase Auto Bank Accounts to purchase cashier's check 100479410. Defendants CHAIM GALI and SHMUEL GALI, through the fictitious vehicle dealer Advantage, used and caused to be used this cashier's check to purchase Vehicle 14 for \$4,800 from a leasing company in Maryland, knowing that Vehicle 14 had 116,189 miles.

55. On or about March 26, 2010, defendants CHAIM GALI and SHMUEL GALI caused Vehicle 14 to be sold at the PA Auction under the name of Chase Auto with a false statement that the vehicle had 37,238 miles, when in fact the vehicle had at least 116,189 miles.

56. On or about April 16, 2010, defendants CHAIM GALI and SHMUEL GALI obtained and caused to be obtained from the PennDOT Auction Office a Pennsylvania title for Vehicle 14 in the name of Conestoga that falsely stated that Vehicle 14 had 37,235 miles.

57. On or about April 19, 2010, defendants CHAIM GALI and SHMUEL GALI deposited and caused to be deposited check number D8468785 in the amount of \$9,665, representing the proceeds from the sale of Vehicle 14 into one of the Chase Auto Bank Accounts.

**Vehicle 15**

58. On or about March 22, 2010, defendants CHAIM GALI and SHMUEL GALI sent and caused to be sent to a leasing company office in Missouri the bill of sale for the purchase of Vehicle 15 via facsimile from the commercial mail receiving agency in Brooklyn, New York, where the defendants maintained Box 126.

59. On or about April 12, 2010, defendant CHAIM GALI withdrew cash from one of the Chase Auto Bank Accounts to purchase cashier's check 100618436. Defendants CHAIM GALI and SHMUEL GALI, through the fictitious vehicle dealer Melvin's, used and

caused to be used this cashier's check to purchase Vehicle 15 in the amount of \$28,000 from a leasing company in Missouri, knowing that Vehicle 15 had 68,215 miles.

60. On or about April 13, 2010, defendants CHAIM GALI and SHMUEL GALI, using and causing to be used an account in the name of Speers with an online dispatch service, hired vehicle transporter C to transport Vehicle 15 and two other vehicles for Melvin's from the leasing company in Missouri to the NJ Auction.

61. On or about April 14, 2010, defendant CHAIM GALI wrote check number 1433 from one of the Chase Auto Bank Accounts in the amount of \$1,200 payable to vehicle transporter C for the transport of Vehicle 15 and two other vehicles.

62. On or about April 23, 2010, defendant CHAIM GALI obtained and caused to be obtained from the PennDOT Auction Office a Pennsylvania title for Vehicle 15 in the name of Conestoga that falsely stated that Vehicle 15 had 27,215 miles.

63. On or about April 23, 2010, defendants CHAIM GALI and SHMUEL GALI caused Vehicle 15 to be sold at the PA Auction under the name Chase Auto with a false statement that the vehicle had 27,218 miles, when in fact the vehicle had at least 68,215 miles.

64. On or about April 26, 2010, defendants CHAIM GALI and SHMUEL GALI deposited and caused to be check number C2440348 in the amount of \$34,155, representing the proceeds from the sale of Vehicle 15, into one of the Chase Auto Bank Accounts.

All in violation of Title 18, United States Code, Section 371.

**COUNTS TWO THROUGH EIGHT**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 13 of Count One are incorporated here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania,

and elsewhere, the defendants,

**CHAIM GALI, a/k/a “Mike Gali,” a/k/a “John Triculy,” and  
SHMUEL GALI, a/k/a “Sam Gali,”**

knowingly made, uttered, and possessed, and aided and abetted and willfully caused, the making, uttering, and possession of, forged and counterfeited securities of the Commonwealth of Pennsylvania – namely, certificates of title relating to the motor vehicles listed below – with the intent to deceive other persons, organizations, and governments, each such instance being a separate Count of this Indictment:

<b>Count</b>	<b>Approximate Date</b>	<b>Vehicle No.</b>	<b>VIN</b>
2	1/8/2010	9	1GCGG25V371192884
3	2/23/2010	10	2A8HR44H28R696970
4	3/18/2010	11	1FTRX12W57FA77786
5	3/19/2010	12	5FNYF48469B011311
6	3/23/2010	13	1FMYU92Z86KA86156
7	4/16/2010	14	1FTNE24W76HA90887
8	4/23/2010	15	1GKFK63887J332575

All in violation of Title 18, United States Code, Section 513(a) and Title 18, United States Code, Section 2.

**COUNTS NINE THROUGH FIFTEEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 13 of Count One are incorporated here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania,

and elsewhere, the defendants,

**CHAIM GALI, a/k/a “Mike Gali,” a/k/a “John Triculy,” and  
SHMUEL GALI, a/k/a “Sam Gali,”**

did knowingly and willfully give and caused to be given, in making the written disclosures to the buyers of used motor vehicles required by Title 49, United States Code, Section 32705(a), and Title 49, Code of Federal Regulations, Part 580, false statements relating to the cumulative mileage registered on the odometers of the motor vehicles listed below, in that defendants CHAIM GALI and SHMUEL GALI certified as accurate the false mileage listed below, when in fact the odometers of the vehicles had registered the high mileage listed below when the defendants acquired the vehicles, each such instance being a separate Count of this Indictment:

<b>Count</b>	<b>Approximate Date</b>	<b>Vehicle No.</b>	<b>VIN</b>	<b>High Mileage</b>	<b>False Mileage</b>
9	1/8/2010	9	1GCGG25V371192884	162,898	27,182
10	2/19/2010	10	2A8HR44H28R696970	83,101	27,261
11	3/16/2010	11	1FTRX12W57FA77786	93,116	34,360
12	3/19/2010	12	5FNYP48469B011311	59,085	18,506
13	3/19/2010	13	1FMYU92Z86KA86156	94,087	41,521
14	3/26/2010	14	1FTNE24W76HA90887	116,189	37,238
15	4/23/2010	15	1GKFK63887J332575	68,215	27,218

All in violation of Title 49, United States Code, Sections 32705(a) and 32709(b), and Title 18, United States Code, Section 2.

A TRUE BILL:

GRAND JURY FOREPERSON

  
ZANE DAVID MEMEGER  
United States Attorney

JLS

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

INDICTMENT

DESIGNATION FORM to be used by counsel to indicate the category of the case for the purpose of assignment to appropriate calendar. 184634

Address of Plaintiff: 615 Chestnut Street, Suite 1250, Philadelphia, PA 19106-4476

Post Office: Philadelphia

County: Philadelphia

City and State of Defendant: Israel

County: N/A

Register number: N/A

Place of accident, incident, or transaction: Eastern District of Pennsylvania

Post Office: Multiple locations

County: Lancaster

RELATED CASE, IF ANY:

Criminal cases are deemed related when the answer to the following question is "yes".

Does this case involve a defendant or defendants alleged to have participated in the same action or transaction, or in the same series of acts or transactions, constituting an offense or offenses?

YES/NO: No

Case Number: N/A

Judge: N/A

CRIMINAL: (Criminal Category - FOR USE BY U.S. ATTORNEY ONLY)

1. ☐ Antitrust
2. ☐ Income Tax and other Tax Prosecutions
3. ☐ Commercial Mail Fraud
4. ☐ Controlled Substances
5. ☐ Violations of 18 U.S.C. Chapters 95 and 96 (Sections 1951-55 and 1961-68) and Mail Fraud other than commercial
6. ☒ General Criminal

(U.S. ATTORNEY WILL PLEASE DESIGNATE PARTICULAR CRIME AND STATUTE CHARGED TO BE VIOLATED AND STATE ANY PREVIOUS CRIMINAL NUMBER FOR SPEEDY TRIAL ACT TRACKING PURPOSES)

18 U.S.C. §§ 2, 371 and 513(a); 49 U.S.C. §§ 32705(a) and 32709(b)

DATE: 12/4/14

Kathryn Drenning for  
KATHRYN DRENNING, DOJ Trial Attorney  
LINDA I. MARKS, DOJ Senior Litigation Counsel